



Missouri Division of Workforce Development  
DWD Issuance 03-2014

Issued: July 28, 2014  
Effective: July 28, 2014

**Subject:**                   **Statewide On-the-Job Training (OJT) Policy**

1. Purpose:                   This Issuance is written to revise the minimum operational guidelines for the Division of Workforce Development's (DWD) OJT program.
2. Background:           As a part of the Next Generation Career Center (NGCC) Products and Services, OJT is a tool to be used to assist in achieving training and placement goals for Workforce Investment Act (WIA) customers.
3. Substance:           The State issued OJT Training Practices and Procedures Manual provides detailed programmatic operational guidance, including operational forms that incorporate the minimum data required.

Changes to the DWD OJT Program include:

- Addition to the OJT Training Agreement:
  - Documenting employer utilization of electronic time management system to record attendance.
  - Requiring employer and training operator signatures and dates.
  - Adding Legal Certifications addressing Debarment and Suspension in accordance with 29 CFR Part 09
  - Updated General Assurances:
    - adding 5. (b) addressing delinquent tax payments
    - adding Acknowledgement with employers initials and date.
- Language added to the OJT Practices and Procedures Manual Invoicing Section; "Invoices must be signed by both the participant and the employer. In the event the participant is unable to sign a time sheet, documenting Service Notes should outline the attempts to secure signature. Employer attestation of an electronic time management system to capture attendance accompanied with the payroll data may suffice in lieu of participant signature."
- Employer Attestation on the OJT Training Agreement of electronic time management system.
- Language converting six (6) months to be equivalent to 1040 hours of training.
- Addition to the OJT Outline and Job Description of the APPID# and MO-40 National Emergency Grant (NEG) funding source.

DWD documents listed below are OJT program compliant. Local workforce Investment Boards (LWIB) may opt to utilize regionally devised OJT program compliant documents. However, to insure adherence to the OJT program minimum guidelines, regional documents must mirror the documents list below:

- OJT Program Agreement  
[https://worksmart.ded.mo.gov/includes/secure\\_file.cfm?ID=229&menuID=5113](https://worksmart.ded.mo.gov/includes/secure_file.cfm?ID=229&menuID=5113)
- OJT Outline and Job Description  
[https://worksmart.ded.mo.gov/includes/secure\\_file.cfm?ID=230&menuID=5113](https://worksmart.ded.mo.gov/includes/secure_file.cfm?ID=230&menuID=5113)
- OJT Supplemental Agreement  
[https://worksmart.ded.mo.gov/includes/secure\\_file.cfm?ID=234&menuID=5113](https://worksmart.ded.mo.gov/includes/secure_file.cfm?ID=234&menuID=5113)
- OJT Report of Monitoring Visit  
[https://worksmart.ded.mo.gov/includes/secure\\_file.cfm?ID=232&menuID=5113](https://worksmart.ded.mo.gov/includes/secure_file.cfm?ID=232&menuID=5113)
- OJT Monthly Progress Report/Invoice  
[https://worksmart.ded.mo.gov/includes/secure\\_file.cfm?ID=231&menuID=5113](https://worksmart.ded.mo.gov/includes/secure_file.cfm?ID=231&menuID=5113)
- OJT and WIA Dislocated Worker Desk Aid to Create Application, Eligibility, Enrollment, Appropriateness, and Employment Plan for OJT and WIA Dislocated Worker in Toolbox.  
[https://worksmart.ded.mo.gov/includes/secure\\_file.cfm?ID=3072&menuID=6](https://worksmart.ded.mo.gov/includes/secure_file.cfm?ID=3072&menuID=6)

4. Action: As of the effective date of this Issuance, all LWIB staff and DWD staff must fully comply with this guidance including the OJT Training Practices and Procedures Manual and associated documents when operating the OJT program. This Issuance must be distributed to all appropriate staff.
5. Contact: For compliance issues, contact Steve Reznicek, Manager, Quality Assurance, at [steve.reznicek@ded.mo.gov](mailto:steve.reznicek@ded.mo.gov). For technical assistance, contact Vicky Loggins, Business Initiatives Coordinator, at [Vicky.loggins@ded.mo.gov](mailto:Vicky.loggins@ded.mo.gov).
6. Reference: WIA Sections 101(31), 181(a)(1)(A), 181(b)(5), 181(d)(2), 195(4).
7. Rescissions: DWD Issuance 15-2009 dated January 27, 2010; and DWD Issuance 10-2011 dated March 27, 2012.
8. Attachment: 1) OJT Practices and Procedures Manual, effective date July 28, 2014

The Missouri Division of Workforce Development is an equal opportunity employer/program.  
Auxiliary aids and services are available upon request to individuals with disabilities. Missouri TTY  
Users can call (800) 735-2966 or dial 711.



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Julie Gibson  
Director  
Missouri Division of Workforce Development

# On-The-Job Training Practices and Procedures Manual



EFFECTIVE DATE: July 28, 2014

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# The purpose of this Practices and Procedures Manual is:

- (1) To encourage an increase in the utilization of the On-the-Job-Training (OJT) Program, in the local workforce regions. OJT is an excellent tool to assist in achieving training and placement goals for WIA customers.
- (2) To provide Missouri's minimum standards for operating federally funded OJT programs.
- (3) To encourage local workforce regions to develop local protocol and processes for marketing as well as minimum standards for company eligibility such as wages & industry types. However while protocol and policies are important, it is recommended to not incorporate unnecessary and cumbersome processes.

## ***I. OJT Employer Outreach and Eligibility***

***“On-the-Job Training Agreements must ensure that participants are provided a structured training opportunity in which to gain the knowledge and competencies necessary to be successful in the occupation in which they receive training.”***

### ***Marketing and Outreach***

A sound marketing plan should be based on the premise that businesses will use an organization that serves their interests. Marketing efforts should begin with the Business Services Team and be designed to insure the elimination of duplicative efforts and administrative waste. Objectives for marketing and outreach should be defined regionally along with suiting the area employment conditions. Labor market information should be researched using the many on-line resources available to the Workforce Professional including Missouri Economic Research and Information Center (MERIC) accessed at [www.missourieconomy.org](http://www.missourieconomy.org), O\*Net On Line accessed at [www.onetonline.org](http://www.onetonline.org) and North American Industry Classification System (NAICS) accessed at [www.census.gov/eos/www/naics](http://www.census.gov/eos/www/naics).

Marketing can be done directly or indirectly. Marketing includes, but is not limited to: face-to-face contacts with employers, mail outs (introductory letters, notes of appreciation, newsletters), involvement with the Chamber of Commerce, press releases, networking with other agencies, and speaking to civic organizations.

#### **Sample marketing strategies include:**

- Research companies thoroughly before contact noting previous labor needs.
- Target high growth industries for marketing.
- Educate employers about how On-The-Job (OJT) training can enhance their business, cut waste, help train employees, reduce turnover and increase profits.
- Project company savings by utilizing the OJT Program.
- Ensure employer generated required paperwork is minimal and assisted by the DWD/WIB representative.

## ***Determining Employer Eligibility***

***OJT Training Agreements are not entitlements and should be used to develop long term employment opportunities. Local Boards must consider identifying priorities for the selection of employers.***

**New regulations provide for the subcontractor to affirm enrollment and participation in the E-Verify federal work authorization program.** Prior to agreement to an OJT Contract, a pre-contract evaluation of the employer performance must be performed using the criteria listed below:

- The employer must not be relocating from another labor market area (WIA Section 181(2)(b)(2)). If so, the positions must be in place 120 days prior to consideration for an OJT position.
- The employer must have: 1) recalled or attempted to recall all employees who entered active layoff within the past 365 days; and 2) not given notice of layoff to any employees from the same position or any substantially equivalent position.
- The training must not displace current employees.
- The company must have regulations that address safety and health issues.
- Appropriate supervision and training must be provided for all participants.
- Training must not duplicate a service already provided by other sources such as through the Department of Economic Development or Missouri Customized Training Program.
- The business should appear to be financially stable. Research supports the data that seven out of ten new employer firms last at least two years, and about half survive five years. There must be a demand for this job in the local labor market
- The turnover rate for this business and/or this job should be low. Positions that have a high turnover rate must not be considered.
- The position must not be seasonal employment.
- Positions that have a history of layoff must not be considered including participation in the Shared Work program.
- The wages and benefits should be appropriate based on O\*Net State and National Wage Tables.
- The employer must pay the employer wage taxes.
- The position must be a full time position defined as 32 or more hours per week.
- Training must not impair any existing contracts for services or collective bargaining agreements.
- Training Agreements may not be entered into with temporary or intermittent employment or employment in an occupation for a fee.

## **II. Required Paperwork**

### **Agreement Preparation**

OJT is provided under an agreement with an employer in the public, private non-profit, or private sector. The local program operator must **not** consider a training agreement with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.

- An employer orientation must be completed with each employer and/or employer representative at which point ensues discussion of the training provisions, general assurances, training plans including the attainment of skills, program monitoring and invoicing procedures.
- OJT orientation must also ensure that participants will not be employed in sectarian instruction or religious worship and equal opportunity in all services is provided without regard to race, sex, color, religion, national origin, gender, disability, citizenship, or participation in program activities.
- The Region must have a policy in place to handle employer disputes, nepotism and contract modification requests. Contracts must include E-Verify verification; references to labor standards; grievance procedures; compliance with all applicable business licensing and taxation; provisions covering liability, sanctions, debt repayment; and the employer's commitment to retain the participant(s) upon training completion.
- The Region must have established due process procedures which provide expeditious appeal for:
  - WIA participants subject to testing for the use of controlled substances imposed under a state policy established under WIA section 181(f); and
  - WIA participants who are sanctioned after testing positive for the use of controlled substances, under the policy described in paragraph (c)(1)(i)

*DWD recognizes that different Training Agreement methods are in use by the WIA Regions. The Regions are encouraged to review their present standards in relation to DWD and federal regulations and monitoring requirements.*

## ***On-The-Job Training (OJT) Program Agreement Minimum Requirements***

At a minimum, an OJT Program Agreement must include:

- Employer contact information including FEIN or UI account number;
- Training operator contact information;
- Beginning and ending date of the OJT Program Agreement;
- Number of workers provided full time employment under the OJT Program Agreement;
- The total fixed price of the OJT Program Training Agreement;
- Employer Attestation of a) Workforce Status, and; b) Electronic Time Management System
- Concurrence of the Collective Bargaining Agent if applicable
- Authorized signature of employer and training operator with date
- E-Verify enrollment documentation with an affidavit of work authorization
- Legal Certifications regarding Debarment and Suspension in accordance with 29 CFR Part 98
- OJT Program Agreement General Assurances.

### ***Training Plans Minimum Requirements***

*An OJT program must identify the occupation, the skills and competencies to be learned and the length of time the training will be provided and must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of the training agreement, consideration must be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's employment plan. (WIA sec. 101(31)(CC))*

After determination of the position in which the participant will be trained, a Training Plan must be developed.

This Plan will be a formal and written program of the structured job training that will provide participants with an orderly combination of instruction in work maturity skills, general employment competencies and occupationally specific skills that will enable the participant to work toward self-sufficiency. Use O\*Net and/or company job description as a basis to begin listing skills or tasks to the extent they are accurate. Keep each skill description concise and comprehensive and make sure the individual tasks are measurable and observable.

The Training Plan must include:

- Name of participant;
- Toolbox Applicant ID and last 4 digits of Social Security number;
- Occupation;
- O\*Net Code;
- SVP Range;
- Starting and ending dates of training;
- Number of hours per week trainee will work;
- Initial wage rate and scheduled raises (if any);
- OJT wage and the percentage of reimbursement;
- Maximum OJT obligation amount;
- Name or job title of person responsible for training;
- A job description and training outline that clearly reflects what the participant will learn and the length of the purposed training;
- A list of specific skills or tasks the employer agrees to provide to the participant;
- Signature of trainee and date; and
- Signature of employer/trainer and date.

OJT Training agreements with a participant's former employer are discouraged and only allowable with prior approval of the Business Services Team Lead and DWD OJT Program Coordinator. The Training Plan and participant's Toolbox Employment Plan must additionally document; 1) the OJT participant is training in an upgraded position; 2) the employer is not in layoff status.

Training Plans reimbursement rates are to **not exceed 50%**. Higher reimbursement rates based on a current DOL waiver must be approved by the DWD OJT Program Coordinator.

In determining the appropriate length of the training agreement, consideration must be given to the skill requirements of the occupation; the academic and occupational skill level of the participant; prior work experience; and the participant's Employment Plan. The participant's length of training must be based on the gap of skills between the position and the OJT participant and be consistent with an overall WIB policy that enumerates training plans allowed maximum length. (e.g., O\*Net and/or the employer training plans). **Training must not exceed 1040 hours.**

The following is the conversion between the SVP Level of the occupation and the maximum weeks of training allowed for an OJT participant. An explanation of the various levels of

specific vocational preparation from O\*Net On-Line may be found at:

<http://www.onetonline.org/help/online/svp>

| <u>SVP Level</u> | <u>Maximum Duration of OJT</u>                  |
|------------------|---|
| 1                | Short demonstration only                        |
| 2                | Up to 1 month                                   |
| 3                | Up to 3 months                                  |
| 4 and over       | Up to 6 months = 1040 maximum hours of training |

Individuals in OJT shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly employed in similar occupations by the same employer; and, who have similar training, experience, and skills. Such rates shall be in accordance with applicable law, but in no event, less than the higher of the rate specified in Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable state or local minimum wage.

### ***Invoicing***

Payments to employers for OJT shall be in compliance with WIA program guidelines and local regions policies. The Federal Regulations state “Through the OJT training agreement, occupational training is provided for the WIA participant in exchange for the reimbursement of up to 50 percent of the wage rate to compensate for the employer’s extraordinary costs. Higher reimbursement rates based on a current DOL waiver must be approved by the DWD OJT Program Coordinator.

Regions must ensure that payments to employers are in compensation for the extraordinary costs associated with training participants and in compensation for the costs associated with the lower productivity of such participants. Employers, however; are not required to document these extraordinary costs.

DWD requires that employers establish record keeping and record retention systems that assure employer records adequately support OJT invoices. Reimbursement policy will be based on an invoice system that clearly documents the number of hours worked each day by the participant and rate of pay for the time period. Invoices must be signed by both the participant and the employer or only by the employer if accompanying documentation (timesheets/time cards) is signed by the participant and reconciled to the invoice. In the event the participant is unable to sign a time sheet, documenting service notes should outline the attempts to secure signature. Employer attestation of an electronic time

management system to capture attendance accompanied with the payroll data may suffice in lieu of participant signature.

Payments to employers must be based on scheduled raises and regular pay increases, if they occur. Payments to employers cannot be made on overtime hours, shift differential, premium pay, other non-regular wages paid by the employer, or periods of time in which no training occurs (illness, holidays, plant downtime, or other events).

The DWD-PO-220 OJT Monthly Progress Report/Invoice (accessed in WorkSmart) can be used as an example of a report/invoice. All information on documents related to the Invoice must support the Invoice information. Employers cannot pay OJT participants in cash.

### ***III. Documentation Requirements***

Job descriptions contained in OJT Training Plans must be consistent with the training being provided. Regions must develop means to document the participant has been trained in the contracted occupation.

The WIB's are responsible to ensure that either they or the program operator monitor training, invoicing, and reimbursement systems on a pre-determined, systematic, and documented basis. Regions are to verify and document training plans are being followed and progress is satisfactory during monthly contact with the employer and trainee. Additional onsite reviews and technical assistance will be conducted as necessary.

WIB's must also establish provisions for access to those records including such contingencies as employer bankruptcy, closure, or business relocation. All employers are required by contract to maintain their own internal supporting documentation in accordance with contractual record retention requirements.

### ***Monitoring***

The monitoring of Training Agreements is the responsibility of the program operator. The duty may be assigned to another designated entity or individual. The monitoring will include participant training and corresponding employer payroll records. To ensure validity and propriety of the reimbursement amounts claimed, on site monitoring of OJT employers and other subcontractors is required. For program compliance, on site monitoring of each trainee must occur at a minimum at mid training and upon completion. During on site monitoring, attainment of the skills documented in the training plan must be notated either in the Service Notes, Monitoring Form or the Training Plan.

In evaluating employer performance for re-contracting purposes, the following criteria must be considered:

- Did the employer retain the completed OJT participants;
- During monitoring, was training identified as poor or incomplete;
- Was there an increase or decrease in wages after training;
- Was the participant dismissed after training or during follow-up period;
- Were there any participant grievances;

The WIB or its designee must conduct sub-state monitoring of its programs including employer fiscal records as outlined in DWD Issuance 02-01. DWD will monitor for program compliance through Toolbox and financial records during the Regions' annual Programmatic/Financial Monitoring.

### ***Reporting***

OJT will be reported as a program cost on the monthly Financial Online Contract Progress Report (CPR) submitted by the Regions. Additionally, OJT must be reported as a line item on the separate reporting tool provided by Financial Management on a quarterly basis. Program compliance will be reviewed and included as part of the sub-state monitoring report.

#### ***IV. Trainee Requirements***

In certain instances, OJT placement is the most appropriate method to secure employment for a participant. Elements to consider before selecting a participant for an OJT position include: the participant's job readiness, the match of a participant's career objectives with the OJT opportunity, the ability of the participant to complete the OJT, and the participant's appropriateness for an OJT opportunity.

Staff must ensure that for participants chosen to participate in an OJT opportunity, an appropriate assessment is completed. Prior to execution of the training plan, the skill requirements of the occupation; the academic and occupational skill level of the participant; and the participant's prior work experience are to be considered. These factors must be taken into account in determining the length of the training plan.

The participant should be placed in an OJT opportunity that is consistent with the occupational goal of the participant's Employment Plan. Counselors are responsible for ensuring that the Employment Plan is updated as needed.

The Employment Plan will be developed jointly between the participant and the counselor and must include:

- Occupational goal;
- Identified need for training;
- Any identified barriers to successful completion of an OJT opportunity;
- Identified resources to alleviate barriers to completion of an OJT opportunity;
- Participant's name and Toolbox AppID or last four digits of Social Security Number;
- Post-placement follow-up service needs.

The counselor's assessment of the participant for an OJT assignment should be posted on the Appropriateness Tab of the Employment Plan in Toolbox. Service notes are to be recorded in Toolbox to document contacts with the participant or employer, report changes of a participant circumstances, and to document the provision of supportive services.

After the Employment Plan and Participant Assessment are completed, the counselor must also consider the following:

- Will the participant need to learn new skills for the OJT position, or does the participant currently possess those skills? WIA cannot fund OJT in a participant's previous occupation.

- Is OJT the best strategy for the participant to learn these new skills, or is occupational skills training more suitable for the participant?
- Can the position be obtained by the participant without subsidizing the employer? If so, a direct job placement is appropriate and OJT is not allowable.

For questions regarding Toolbox enrollment for OJT reference the Dislocated Worker Toolbox Desk Aid on WorkSmart, located at <https://worksmart.ded.mo.gov/index.cfm>.

## **FORMS**

(To open forms put cursor on the blue form #, hold down control button and click mouse to open link in WorkSmart)

|                            |   |
|----------------------------|---|
| <a href="#">DWD-PO-213</a> | On-The-Job Training Program Contract                |
| <a href="#">DWD-PO-214</a> | On-The-Job Training Outline and Job Description     |
| <a href="#">DWD-PO-215</a> | On-The-Job Training Supplemental Agreement          |
| <a href="#">DWD-PO-217</a> | On-The-Job Training Eligibility Notification        |
| <a href="#">DWD-PO-219</a> | On-The-Job Training Report of Monitoring Visit      |
| <a href="#">DWD-PO-220</a> | On-The-Job Training Monthly Progress Report/Invoice |

## **NOTES:**